MUNICIPAL - PROVINCIAL
ROLES & RESPONSIBILITIES REVIEW

Discussion Paper concerning

Business Occupancy Assessment & Taxation

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A joint project of:

unsm
The Union of Nova Scotia Municipalities

NOVA SCOTIA
Service Nova Scotia and Municipal Relations

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Executive Summary

This discussion paper is seeking input on the possibility of eliminating business occupancy assessment and taxation.

Business occupancy taxation is a tax on all occupied commercial property in the province in addition to taxation of real property. The tax is determined by multiplying the commercial tax rate by the amount of business occupancy assessment. Business occupancy assessment is calculated as a percentage of the occupied property's commercial real property assessment. The percentage depends on the type of business being carried out on the property.

Business occupancy assessment and taxation is seen as problematic for a variety of reasons:

- Business occupancy taxation is not a lien on the real property. Accordingly, more of this tax goes uncollected than other forms of property taxation.
- Business occupancy assessment is costly and difficult for the Province and municipalities to administer. Businesses must notify the Assessment Services Division of business openings, closings and changes.
- Businesses looking at Nova Scotia as a place to do business can be deterred by business occupancy taxation.
- The federal government does not pay business occupancy taxes on the properties it occupies but it does pay real property taxes in the form of grants in-lieu of taxes.

There would be several challenges in eliminating business occupancy assessment and taxation:

- Revenues from business occupancy taxation would likely be recovered from the real property tax base. This would cause shifts in tax burden between various tax payers.
- Business occupancy assessment discriminates between various categories of business. This ability to discriminate would be lost.
- There would be shifts in the uniform assessments now used as the basis for Provincial grants and charges to municipalities.

Nova Scotia is one of the last provinces with wide-spread, municipal, business taxes. Your input on the possibility of eliminating business occupancy assessment and taxation is welcome. Submissions should be received by Friday, 16 March 2001.

Introduction

Background

The Municipal-Provincial Roles & Responsibilities Review is a comprehensive examination of municipal and provincial service responsibilities and their delivery and funding mechanisms. Part of that Review included a study of business occupancy taxation. In November of 1999 the Steering Committee for the Review, made up of municipal and provincial elected officials, approved a recommendation calling for broad consultation on the possibility of eliminating business occupancy assessment and taxation. This discussion paper has been created as part of that consultation.

Business occupancy taxation was last reviewed in 1991. At that time the committee reviewing the taxation recommended that it be made the option of each municipality whether or not to charge business occupancy taxation. Government chose not to pursue that recommendation at that time because they were implementing the Report of the Task Force on Local Government, there was a sense that fewer adjustments would be required to change business occupancy taxation when the economy was stronger, and the federal government had proposed to freeze its grant in-lieu of property tax payments.

Property Assessment and Taxation

In Nova Scotia, the provincial government is responsible for assessing all properties. The municipalities are responsible for setting tax rates and collecting the taxes. Municipalities use the assessed value of the properties in their area to determine what the tax rate will be and how to apply it to each individual property owner.

In Nova Scotia, the three main property classes are residential, commercial and resource. Residential and resource properties make up over two thirds of the assessment roll and account for approximately $27.2 billion of the total taxable value of the Provincial roll. Residential properties make up the largest portion of this value. Taxable commercial assessments (including business occupancy and machinery and equipment assessments) account for approximately $7.6

billion of the remaining taxable roll value.
Commercial assessments vary from small home-based business to large plants and processing facilities worth millions of dollars. Businesses operating in Nova Scotia are subject to business occupancy assessment. This is calculated as a percentage of the commercial assessment. Machinery and processing equipment assessment is being phased out over a ten year period. Currently no new machinery and equipment assessments are being added and existing accounts have 40% of their original value or less.

History

Business occupancy taxation was implemented to replace the assessment of business inventories. Prior to 1978, businesses were assessed and taxed on inventories, office furniture and equipment, and most machinery and equipment. The three levels of business occupancy assessment -- 25%, 50%, and 75% of the assessed value of the space occupied -- were intended to reflect the asset mix of certain industries relative to the assessed value of the real property under the previous tax system.

In 1975, commercial personal property formed 16% of the total tax base in Nova Scotia, and 34% of the commercial tax base. In 2000, business occupancy assessment forms 6% percent of the total municipal taxable assessment base and 35% percent of the taxable commercial assessment base (the percentage of the taxable commercial assessment base does not equal 50% because various rates are used for calculating business occupancy assessment, vacant properties and seasonal industries are not assessed for business occupancy for the entire year or at all, and some commercial properties are not subject to business occupancy assessment). These percentages vary from municipality to municipality, as is shown below.

Municipality	Taxable BO Assess. 2000	Taxable Commercial Assess. Base 2000	Taxable BO Assess. as % of Taxable Commercial Assess. Base	Total Taxable Assess. Base 2000	Taxable BO Assess. as % of Total Taxable Assess. Base
Regional Municipalities					
Cape Breton	$127,095,100	$386,514,200	32.88%	$2,721,014,200	4.67%
Halifax	$979,298,113	$2,707,225,000	36.17%	$16,151,984,713	6.06%
Queens	$39,537,600	$124,967,400	31.64%	$535,150,300	7.39%
Total Regional Municipalities	$1,145,930,813	$3,218,706,600	35.60%	$19,408,149,213	5.90%

Municipality	Taxable BO Assess. 2000	Taxable Commercial Assess. Base 2000	Taxable BO Assess. as % of Taxable Commercial Assess. Base	Total Taxable Assess. Base 2000	Taxable BO Assess. as % of Total Taxable Assess. Base
Towns					
Amherst	$28,106,300	$70,306,700	39.98%	$300,666,200	9.35%
Annapolis Royal	$2,264,300	$7,100,900	31.89%	$27,837,600	8.13%
Antigonish	$21,406,000	$56,647,000	37.79%	$239,037,100	8.96%
Berwick	$10,582,800	$27,315,900	38.74%	$99,530,100	10.63%
Bridgetown	$1,881,300	$5,581,200	33.71%	$32,674,500	5.76%
Bridgewater	$45,909,400	$127,844,800	35.91%	$390,082,600	11.77%
Canso	$1,777,300	$6,179,800	28.76%	$24,437,400	7.27%
Clark's Harbour	$3,011,600	$7,806,800	38.58%	$29,295,600	10.28%
Digby	$6,343,400	$18,428,100	34.42%	$70,105,100	9.05%
Hantsport	$7,324,900	$19,455,100	37.65%	$59,189,500	12.38%
Kentville	$24,472,300	$66,723,400	36.68%	$275,226,600	8.89%
Lockeport	$1,530,700	$5,265,000	29.07%	$20,553,400	7.45%
Lunenburg	$7,553,600	$25,611,400	29.49%	$118,978,900	6.35%
Mahone Bay	$3,035,600	$9,670,100	31.39%	$52,488,200	5.78%
Middleton	$5,534,500	$16,344,600	33.86%	$73,124,800	7.57%
Mulgrave	$1,316,200	$5,395,800	24.39%	$23,731,200	5.55%
New Glasgow	$28,208,300	$80,449,000	35.06%	$328,976,000	8.57%
Oxford	$5,939,700	$13,570,600	43.77%	$48,251,500	12.31%
Parrsboro	$1,477,400	$4,443,900	33.25%	$38,193,800	3.87%
Pictou	$3,946,900	$12,954,800	30.47%	$91,665,600	4.31%
Port Hawkesbury	$12,469,400	$35,018,000	35.61%	$129,182,500	9.65%
Shelburne	$5,247,700	$15,394,300	34.09%	$63,857,600	8.22%
Springhill	$3,058,500	$9,573,900	31.95%	$80,791,300	3.79%
Stellarton	$10,025,800	$25,746,100	38.94%	$136,751,400	7.33%
Stewiacke	$1,772,100	$5,988,000	29.59%	$39,438,000	4.49%
Trenton	$4,000,800	$10,724,600	37.30%	$66,348,300	6.03%
Truro	$59,847,200	$169,128,100	35.39%	$536,854,400	11.15%
Westville	$1,668,200	$5,855,200	28.49%	$69,364,000	2.40%
Windsor	$8,793,600	$24,963,600	35.23%	$125,704,600	7.00%
Wolfville	$6,849,333	$21,997,200	31.14%	$186,670,633	3.67%
Yarmouth	$34,311,900	$98,052,800	34.99%	$294,329,500	11.66%
Total Towns	$359,667,033	$1,009,536,700	35.63%	$4,073,337,933	8.83%

Municipality	Taxable BO Assess. 2000	Taxable Commercial Assess. Base 2000	Taxable BO Assess. as % of Taxable Commercial Assess. Base	Total Taxable Assess. Base 2000	Taxable BO Assess. as % of Total Taxable Assess. Base
Rural Municipalities					
Annapolis	$11,987,900	$55,639,200	21.55%	$595,714,900	2.01%
Antigonish	$11,121,600	$36,433,000	30.53%	$442,234,600	2.51%
Argyle	$8,633,600	$27,441,300	31.46%	$285,293,700	3.03%
Barrington	$14,006,900	$37,374,800	37.48%	$249,309,100	5.62%
Chester	$13,592,150	$45,136,700	30.11%	$580,403,050	2.34%
Clare	$13,000,900	$34,543,200	37.64%	$303,245,100	4.29%
Colchester	$49,721,600	$144,475,700	34.42%	$1,158,369,100	4.29%
Cumberland	$12,842,400	$46,214,700	27.79%	$555,438,900	2.31%
Digby	$8,235,100	$27,228,700	30.24%	$217,268,900	3.79%
Guysborough	$6,194,100	$27,522,100	22.51%	$166,843,100	3.71%
Hants East	$17,758,200	$48,516,800	36.60%	$659,275,400	2.69%
Hants West	$9,488,100	$30,579,300	31.03%	$440,343,000	2.15%
Inverness	$13,866,300	$52,204,800	26.56%	$480,628,900	2.89%
Kings	$98,512,900	$263,175,300	37.43%	$1,859,650,600	5.30%
Lunenburg	$20,189,200	$66,220,500	30.49%	$1,068,004,100	1.89%
Pictou	$51,969,600	$160,700,100	32.34%	$780,255,300	6.66%
Richmond	$78,765,100	$203,094,000	38.78%	$541,476,400	14.55%
Shelburne	$4,605,500	$15,721,100	29.30%	$182,315,700	2.53%
St. Mary's	$1,853,600	$6,702,200	27.66%	$83,999,600	2.21%
Victoria	$9,369,900	$43,107,500	21.74%	$311,988,400	3.00%
Yarmouth	$6,830,800	$25,146,500	27.16%	$351,448,200	1.94%
Total Rural Municipalities	$462,545,450	$1,397,177,500	33.11%	$11,313,506,050	4.09%
Grand Total	$1,968,143,296	$5,625,420,800	34.99%	$34,794,993,196	5.66%

source: Assessment Services Division, Service Nova Scotia and Municipal Relations

The purpose of this schedule is to show how much of the taxable commercial assessment base and of the total municipal taxable assessment base is made up of taxable business occupancy assessment. The taxable commercial assessment base includes taxable commercial real property and taxable machinery and equipment assessment. The total municipal taxable assessment base includes the taxable commercial assessment base and taxable resource, taxable residential and taxable business occupancy assessment.

How Business Occupancy Assessment is Computed

At present, business occupancy assessment is assessed in respect to all occupied commercial properties based on the assessed value of the space occupied. The assessment is done by the Assessment Services Division of the Department of Service Nova Scotia and Municipal Relations. In most cases, business occupancy assessment is equal to 50% of the assessed commercial value of the space occupied. Exceptions to this 50% category are:

- businesses such as service stations, restaurants, campgrounds, trailer parks, and motor vehicle dealers which are assessed for business occupancy at 25% of the assessed commercial value; and,

- banks, credit unions, loan companies, trust companies, insurance companies, investment dealers, mortgage brokers and collection agencies which are assessed for business occupancy at 75% of the assessed commercial value.

The municipalities tax business occupants on the basis of these assessments, at one rate, so that those assessed at 25% pay less tax than those at 50%, while those assessed at 75% pay more.

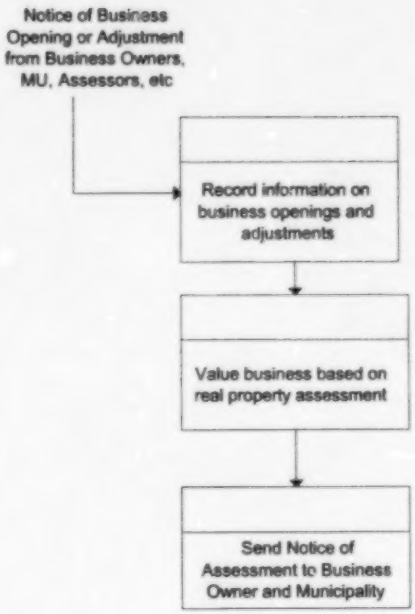
Business Occupancy Statistics

source: Assessment Services Division, Service Nova Scotia and Municipal Relations, and Annual Report of Municipal Statistics for the fiscal year ended March 31, 1999, Service Nova Scotia and Municipal Relations

Business occupancy assessment amounts to approximately $1.97 billion, and represents some $60 million of municipal revenue each year. The assessment is made up of some 24,000 accounts across the Province. There are typically about 8,300 changes to the business occupancy assessment accounts each year; these changes are made up of either business openings, closings, or changes in the amount of space occupied by a business. In 2000 there were some 800 appeals of business occupancy assessment accounts; these accounts represented approximately $260 million of assessment.

Tracking Business Occupancy Assessment

In order to issue business occupancy assessments, all business openings, adjustments and closings must be tracked on an ongoing basis. Although business owners are legislated to provide this information, many do not. Therefore much business activity is collected from various sources, such as notification by business owners, landlords, newspaper reports and advertisements, business occupancy "sweeps" and so on. Business occupancy assessments are issued year round upon the opening of a business or the adjustment to an existing business.


Notice of Business Opening or Adjustment from Business Owners, MU, Assessors, etc
Record information on business openings and adjustments
Value business based on real property assessment
Send Notice of Assessment to Business Owner and Municipality

Business occupancy assessments can be issued for previous years. As an example, if the Assessment Services Division becomes aware of a business opening last year, it can issue a business occupancy assessment effective the date of opening of the business.

The Assessment Services Division commits the equivalent of approximately 6 full-time staff resources across the province to the preparation of business occupancy assessments. Most municipalities do not have any positions dedicated to business occupancy taxation; those duties are usually performed by a position that has other financial duties. Halifax Regional Municipality is the notable exception; the equivalent of approximately 3 full-time staff administer business occupancy taxation.

Collecting Business Occupancy Taxation

Business Occupancy Tax is billed out by municipalities as part of the normal property tax billing process. For properties occupied by someone other than the owner, a separate bill for business occupancy tax is sent to the person leasing the property.

Payment terms for the business occupancy tax are set by the municipality and are normally identical to the payment terms for real property taxes. In the event that the business occupancy tax is not paid the municipality may sue on the debt outstanding, may issue a warrant for collection which may be used to sell personal property such as office furniture and supplies, or may set off the sum due against any claim that the business has against the municipality. Many municipalities have contracts with collection agencies or bailiffs for the collection of business occupancy taxation.

Business occupancy tax is not a lien on the real property (i.e. land and buildings). Other forms of property taxation are a lien on the real property. If those forms of tax are not paid municipalities are normally required to recover the unpaid taxes by selling the property and collecting the taxes from the sale price. That option does not exist for business occupancy taxation. As a result, it is estimated that as much as 20% of business occupancy taxation goes uncollected. Collection rates for real property taxation approach 100%.

Uniform Assessment

Uniform assessment is a municipality's taxable assessment plus their assessment equivalents of grants/payments in lieu of taxes. It is used as a measure of a municipality's potential wealth compared to other municipalities. Business occupancy assessment is included as part of uniform assessment.

If business occupancy assessment is eliminated then a municipality's uniform assessment relative to other municipalities will also change. Typically urban municipalities have a higher portion of business occupancy assessment than rural municipalities.

If business occupancy elimination were to be optional for each municipality then business occupancy assessment would still need to be collected to calculate uniform assessment, or a proxy for business occupancy assessment would need to be agreed upon. This would be required in order to continue to assess the relative wealth of municipalities.

Provincial Charges and Grants

Uniform assessment is used to:

- apportion mandatory municipal education contributions between all municipalities in the province
- apportion 50% of municipal correction contributions between all municipalities in the province
- determine, along with other factors, the amount of Equalization Grant paid to a municipality by the Province
- apportion costs of providing a joint service (e.g. solid waste management, lock-up facilities) between municipalities participating in that joint service; other methods of costs apportioning also exist.

If business occupancy is eliminated, and shifts occur between municipalities in their relative amounts of uniform assessment, then an individual municipality's portion of costs/contributions and grants will also change.

Other Canadian Jurisdictions

Business occupancy taxation is known by different names in the other Canadian provincial and territorial jurisdictions. The generic name of "Business Tax" is normally used. A summary of the current state of business taxation across the country appears below.

Jurisdiction	Is there a separate business assessment and business tax authorized in provincial legislation?	Is it mandatory?	Do most municipalities have a business tax?	What business assessment methods are outlined in legislation?	Do municipalities factor assessments by category of business?
British Columbia	No	n/a	n/a	n/a	n/a
Alberta	Yes	No	No. 20 of the 360 municipalities (or 6%) have a business tax. Edmonton and Calgary have a business tax.	One or more of: a) % of gross annual rental b) % of net annual rental c) storage capacity d) floor space e) % of realty assessment	Yes. Business tax rate may be different for each class of business established by municipal tax by-law
Saskatchewan	No. Eliminated Jan 2001.	n/a	n/a	n/a	n/a
Manitoba	Yes	No.	No. 66 (including Winnipeg) of 201 municipalities (or 33%) levy a business tax.	Up to 15% of annual rental value	No
Ontario	No. Eliminated 1998.	n/a	n/a	n/a	n/a
Quebec	Yes	No	No. 157 of 1360 local municipalities (12%) impose a business tax.	Gross annual rental value	No
New Brunswick	No. Eliminated 1983.	n/a	n/a	n/a	n/a
P.E.I.	No	n/a	n/a	n/a	n/a

Jurisdiction	Is there a separate business assessment and business tax authorized in provincial legislation?	Is it mandatory?	Do most municipalities have a business tax?	What business assessment methods are outlined in legislation?	Do municipalities factor assessments by category of business?
Nova Scotia	Yes	Yes	Yes. All 55 municipalities have a business tax.	% of assessed property value	Yes. Business occupancy assessment is a % of assessed value depending on 1 of 3 business classifications
Newfoundland	No, but municipalities can impose taxes on gross revenues of businesses.	No.	Most municipalities impose taxes on gross revenues of business.	n/a	Gross revenues tax can vary by municipality and type of business.
Yukon	No.	n/a	n/a	n/a	n/a
Northwest Territories	No.	n/a	n/a	n/a	n/a
Nunavut	No.	n/a	n/a	n/a	n/a

source: phone and e-mail interviews with provincial and territorial municipal affairs officials

To summarize the above data:

- British Columbia, Saskatchewan, Ontario, New Brunswick, P.E.I., Newfoundland, and the territories do not have a business occupancy tax,
- Alberta, Manitoba and Quebec have a business occupancy tax but municipalities may choose not to levy it, and
- some provinces, like Newfoundland, have other forms of business tax which are not directly related to business occupancy.

Perceived Problems with Business Occupancy Assessment and Taxation

There are a number of perceived difficulties with the current system of business occupancy assessment and taxation. They are listed briefly below:

- Business occupancy taxation is not a lien on the real property (i.e. land and buildings). Other forms of property taxation are a lien on the real property. If those other forms of property tax are not paid municipalities are normally able to recover the unpaid taxes by selling the property and collecting the taxes from the sale price. In the case of business occupancy taxation the municipality may sue on the debt outstanding, may issue a warrant for collection which may be used to sell personal property such as office furniture and supplies, or may set off the sum due against any claim that the business has against the municipality. These methods of collection typically result in lower collection rates for business occupancy taxation than other property taxation which is a lien on the real property.

- Business occupancy assessment is costly and difficult to administer for the Province and municipalities. This is because a business occupancy assessment is tied to a specific business. As a result each opening and closing of a business, or change in the amount of space occupied by a business, results in a change in the assessment. The assessment can change during the course of the year. On the other hand, assessment on real property is normally set once a year. These frequent changes to business occupancy makes it cumbersome to administer.

  Business occupancy assessment also requires the businesses to notify the Assessment Services Division of openings, closings and changes. Eliminating business occupancy assessment would help streamline the regulatory regime for business and work towards the government's commitment of less red tape.

- Businesses looking at Nova Scotia as a place to do business can be deterred by business occupancy taxation. Even though the amount of taxation may be no greater than other jurisdictions, the fact that there are two property taxes - commercial real property taxation and business occupancy taxation - is unappealing to business.

- The federal government does not pay business occupancy taxes on the properties it occupies but it does pay real property taxes in the forms of grants in-lieu of taxes. If business occupancy taxes were eliminated and that tax revenue was recovered from commercial real property taxes, then federal grants in-lieu of taxes are estimated to increase by approximately $6.1 million per year. This assumes that the federal government would not cap the amount that they pay in grants in-lieu of taxes.

Challenges in Eliminating Business Occupancy Assessment and Taxation

There are several challenges to be considered if business occupancy assessment and taxation are to be eliminated. They are briefly listed as follows:

- Municipalities will need to recover the revenue from business occupancy taxes from other sources. This would most likely be real property taxes. They have several options to do this, each of which have their own challenges.
    - If the revenues are recovered by raising residential real property taxes, then residential property owners will pay a higher portion of the tax burden. For those residential property owners who rent out some or all of their buildings (e.g. rental apartments) rental prices could be an issue. Rents would have been set based on assumed property tax amounts. If these amounts increase, then, in the short-term, landlords may not be able to pass on these increases to tenants. Legislation might need to be enacted which would allow landlords to increase rent amounts to recover the increase in residential property taxes.
    - The revenues might be recovered by raising commercial real property taxes. There are a number of challenges with this possibility.
        - For those commercial properties which are rented, rents would have been set based on assumed property tax amounts. If these amounts increase then, in the short-term, landlords may not be able to pass on these increases to tenants. Legislation might need to be enacted which would allow landlords to increase rent amounts to recover the increase in commercial property taxes.

- Commercial properties which are vacant or which are part of a seasonal business, do not pay business occupancy taxes while vacant or during the off-season. Any increases in commercial real property taxes will apply to them for the entire year, regardless of whether they are vacant or closed for the off-season.

- Some portions of commercial properties do not have business occupancy assessment associated with them. This is because the land or structures meet the definition for exemption provided at section 11 of the *Assessment Act*. Examples are machinery and equipment, and property of a municipal water utility. Increases in commercial real property taxes will apply to these portions of the properties even though business occupancy taxes were not collected on them.

- The federal government does not currently pay grants in-lieu of business occupancy taxes. It does pay grants in-lieu of commercial real property taxes. If commercial real property taxes are increased federal grants might increase, unless the federal government capped the total amount of their grants in-lieu of taxes.

- The Harmonized Services Tax is charged on commercial rental payments and so increases in rents to recover the increases in commercial taxes would be subject to the HST. Those businesses who can claim the HST as an input tax credit could claim this HST payment. However, banks, dental clinics or any of the exempt services would not be able to recover these sums through the input tax credit system.

• Business occupancy assessment is currently calculated at one of three different rates depending on the category of business. As examples, restaurants and hotels are calculated at 25%, retail stores at 50%, and banks at 75%. If business occupancy assessment is eliminated we will lose the ability to tax different categories of business at different rates. As a result, the apportionment of property taxes between the various categories of business will change; there will be a tax burden shift. In particular, the relative impact of the change will be greatest for those businesses currently assessed at the 25% level.

- Persons who rent commercial property may currently attempt to lower their occupancy costs by appealing the real property and business occupancy assessments of the property. If: business occupancy assessment is eliminated, the revenue from business occupancy taxation is recovered from the commercial tax base, and commercial rents are adjusted to reflect the increase in commercial property taxes; then this avenue will be lost. Tenants would still be entitled to appeal the real property assessment of the property, but the appeal would not likely have any impact on the amount of rent they are obliged to pay.

- There would be shifts in the uniform assessments now used as the basis for funding arrangements such as the operating grants paid by the Province and municipal funding to regional school boards, regional libraries, and other joint expenditure arrangements. Depending on the extent to which a municipality's uniform assessment is reduced by the elimination of business occupancy assessment, the impact on each municipality's uniform assessment relative to other municipalities will vary. The relative proportion of uniform assessment will go down for some and go up for other municipalities. As a result, some municipalities will benefit in increased grants and decreased contributions to joint expenditure programs. Other units will end up receiving less in operating grants and paying more towards the cost-shared programs.

  Because rural municipalities have a lower relative portion of business occupancy assessment, they would on average, be more likely to be adversely impacted by the elimination of business occupancy assessment than urban municipalities.

Potential Tax Scenarios

It is difficult to predict the potential tax impacts as a result of the elimination of business occupancy assessment and taxation. The impacts will depend on where the municipalities recover the revenues from business occupancy taxation, the amount that federal grants in-lieu of taxes will increase, the amount by which tax collection rates increase, and the redistribution of Provincial grants and charges. However, based on certain assumptions estimates of the tax impacts can be offered.

Assuming that:

- municipalities recover all business occupancy tax revenues from the commercial taxation base
- federal grants in-lieu of tax payments are not capped
- municipal tax collection rates do not change
- Provincial grants and charges are redistributed based on current formulas
- there are no changes in municipal joint expenditure charges
- assessments, and total Provincial grants and charges amounts will remain unchanged from their April 2000 levels

then commercial property taxation rates are estimated to change as follows in each municipality:

Municipality	2000/01 Estimated BO Revenue	Gain/(Loss) Equalization Grant	Gain/(Loss) Education Contribution	Gain/(Loss) Corrections Contribution	Total Gain/(Loss)	2000/01 Taxable Commercial Assessment + Capitalized Commercial GIL Payments	$ increase in Commercial Tax Rate	% increase in Commercial Tax Rate (see note)	Estimated federal GIL Increase
Regional Municipalities									
Cape Breton	5,188,000	(27,500)	(104,750)	(5,764)	(5,326,015)	460,355,355	1.157	29.3%	984,031
Halifax	32,434,000	0	238,769	13,947	(32,181,284)	3,182,836,705	1.011	26.1%	3,981,458
Queens	384,079	(7,395)	27,023	1,535	(362,915)	49,167,700	0.738	28.9%	10,338
Total Reg. Mun.	38,006,079	(34,895)	161,042	9,718	(37,870,214)	3,692,359,760			4,975,827

Municipality	2000/01 Estimated BO Revenue	Gain/(Loss) Equalization Grant	Gain/(Loss) Education Contribution	Gain/(Loss) Corrections Contribution	Total Gain/(Loss)	2000/01 Taxable Commercial Assessment + Capitalized Commercial GIL Payments	$ increase in Commercial Tax Rate	% increase in Commercial Tax Rate (see note)	Estimated federal GIL Increase
Towns									
Amherst	952,496	70,136	44,537	2,506	(835,317)	77,754,578	1.074	31.6%	31,453
Annapolis Royal	83,779	2,631	998	189	(79,961)	8,127,960	0.984	26.6%	6,275
Antigonish	458,791	0	31,007	1,746	(426,039)	61,641,343	0.691	31.6%	24,372
Berwick	251,900	0	776	1,075	(250,049)	27,758,683	0.901	37.8%	1,514
Bridgetown	56,522	(6,177)	(1,544)	5	(64,238)	6,323,038	1.016	32.6%	5,177
Bridgewater	1,305,987	0	92,450	5,193	(1,208,345)	133,618,342	0.904	31.6%	20,596
Canso	51,567	2,905	1,999	113	(46,550)	7,461,300	0.624	21.5%	4,309
Clark's Harbour	119,259	5,302	3,997	225	(109,735)	7,968,189	1.377	34.8%	2,223
Digby	219,482	10,326	8,249	465	(200,442)	26,197,081	0.765	22.1%	8,300
Hantsport	202,314	0	441	924	(200,949)	19,722,559	1.019	36.5%	1,561
Kentville	404,100	0	1,683	2,141	(400,276)	80,613,590	0.497	17.4%	60,817
Lockeport	64,205	(328)	1,023	58	(63,452)	5,671,412	1.119	26.3%	3,918
Lunenburg	255,535	0	5,347	304	(249,884)	26,076,022	0.958	27.9%	7,063
Mahone Bay	67,403	0	1,154	66	(66,182)	10,532,451	0.628	29.2%	1,278
Middleton	174,218	1,188	1,045	387	(171,598)	18,589,223	0.923	26.8%	4,602
Mulgrave	48,568	(6,634)	(1,024)	(57)	(56,283)	6,503,442	0.865	23.5%	7,271
New Glasgow *	993,667	36,915	36,449	2,053	(918,250)	82,241,636	1.117	32.8%	16,971
Oxford	74,332	10,307	12,558	705	(50,762)	14,075,500	0.361	8.4%	2,020
Parrsboro	42,666	(7,865)	(2,390)	(133)	(53,054)	4,825,329	1.099	32.8%	1,924
Pictou	181,794	(25,235)	(4,113)	(227)	(211,369)	17,402,320	1.215	30.9%	30,906
Port Hawkesbury	412,805	0	22,401	1,260	(389,144)	39,214,305	0.992	29.9%	23,196
Shelburne	160,303	4,581	5,654	319	(149,749)	16,320,414	0.918	29.2%	5,844
Springhill	143,800	(43,510)	(9,201)	(512)	(197,023)	31,487,602	0.626	13.3%	136,792
Stellarton	336,867	5,402	10,902	616	(319,948)	28,565,226	1.120	33.3%	9,364
Stewiacke	40,049	(17,049)	(2,426)	(134)	(59,659)	6,728,918	0.887	40.7%	0
Trenton	212,724	(11,838)	(2,116)	(116)	(226,794)	10,920,437	2.077	37.8%	1,794
Truro	1,921,949	0	120,560	6,772	(1,794,617)	175,164,504	1.025	31.5%	65,430
Westville *	59,146	(24,878)	(8,166)	(455)	(92,645)	6,107,729	1.517	43.3%	1,517
Windsor	375,800	(8,669)	7,842	444	(376,183)	27,626,672	1.362	38.1%	19,841
Wolfville	202,328	0	1,044	(899)	(202,183)	22,670,903	0.892	29.5%	4,067
Yarmouth	1,018,543	0	68,948	3,873	(945,722)	110,108,244	0.859	28.4%	40,833
Total Towns	10,892,900	(2,490)	450,083	28,906	(10,416,401)	1,118,018,952			551,229

Municipality	2000/01 Estimated BO Revenue	Gain/(Loss) Equalization Grant	Gain/(Loss) Education Contribution	Gain/(Loss) Corrections Contribution	Total Gain/(Loss)	2000/01 Taxable Commercial Assessment + Capitalized Commercial GIL Payments	$ increase in Commercial Tax Rate	% increase in Commercial Tax Rate (see note)	Estimated federal GIL Increase
Rural Municipalities									
Annapolis	202,596	(21,312)	(71,854)	(4,568)	(300,330)	58,834,392	0.510	30.2%	12,290
Antigonish	139,355	(15,238)	(51,232)	(2,854)	(208,679)	41,743,972	0.500	39.1%	713
Argyle	150,135	(1,928)	(27,521)	(1,531)	(181,116)	29,189,632	0.620	31.8%	2,104
Barrington	284,766	33,412	2,041	123	(249,190)	39,463,235	0.631	31.0%	10,481
Chester	204,100	0	(69,802)	(3,890)	(277,792)	48,696,691	0.570	36.3%	7,290
Clare	231,416	17,625	(17,619)	(976)	(232,386)	36,226,294	0.641	36.0%	4,865
Colchester	922,396	44,784	(69,481)	(3,850)	(950,943)	192,468,966	0.494	25.9%	15,841
Cumberland	925,596	1,012	(72,741)	(4,054)	(1,001,378)	129,384,203	0.774	43.2%	18,090
Digby	123,562	14,922	(21,192)	(1,179)	(131,011)	30,070,006	0.436	27.2%	2,563
Guysborough	2,378,000	1,950	(23,101)	(1,287)	(2,400,438)	316,622,338	0.758	48.9%	7,579
Hants East	368,395	(28,802)	(73,918)	(4,117)	(475,232)	50,560,888	0.940	48.2%	4,724
Hants West	123,345	(25,023)	(58,458)	(3,259)	(210,085)	33,851,369	0.621	47.7%	8,644
Inverness	270,421	5,405	(50,226)	(2,796)	(318,038)	63,105,861	0.504	25.3%	21,269
Kings	1,667,200	0	19,625	(1,828)	(1,649,403)	367,292,477	0.449	26.2%	378,362
Lunenburg	346,800	(68,464)	(142,765)	(7,960)	(565,989)	72,464,740	0.781	44.4%	10,277
Pictou	1,324,681	103,729	9,834	580	(1,210,538)	258,670,003	0.468	34.9%	1,170
Richmond	1,538,265	0	200,323	11,240	(1,326,702)	277,820,883	0.478	35.9%	3,737
Shelburne	64,784	(4,041)	(22,549)	(1,256)	(92,630)	18,608,694	0.498	31.1%	1,433
St. Mary's	344,973	1,781	(13,823)	(771)	(357,786)	55,000,434	0.651	44.9%	0
Victoria	197,576	(3,919)	(31,606)	(1,758)	(234,859)	63,025,894	0.373	17.5%	30,473
Yarmouth	130,016	(18,506)	(47,229)	(2,633)	(198,384)	25,997,900	0.763	39.1%	3,480
Total Rural Mun.	11,938,378	37,387	(633,297)	(38,624)	(12,572,912)	2,209,098,872			545,385
GRAND TOTAL	60,837,356	2	(22,172)	(0)	(60,859,527)	7,019,477,584		31.8%	6,072,440

source: Business Occupancy Tax Revenue and base data for federal grants in-lieu figures from municipal 2000/01 financial estimate submissions, except as noted above. All other figures from Service Nova Scotia and Municipal Relations.

notes:

1. BO Revenue: 2000/01 Business Occupancy Revenue is based on 2000/01 Estimates except New Glasgow and Westville which are based on 2000 assessment times 2000/01 tax rates.
2. $ increase: The estimated change in dollars in the commercial tax rate is calculated by dividing the Total Gain/(Loss) by the 2000/01 Taxable Commercial Assessment + Capitalized Commercial Grant in-lieu Payments, and then multiplying by 100 to reflect a tax rate per $100 of assessment.
3. % increase: The estimated change in percent in the commercial tax rate is calculated by dividing the $ Increase in Commercial Tax Rate by the existing commercial tax rate.

4. % increase: These estimates do not include any improvements in tax collection rates which would result in a reduction in the % increase in the commercial tax rate.
5. Federal GIL: Estimated increase in federal grant in-lieu of figures based on capitalized federal grant in-lieu figures from municipal 2000/01 financial estimate submissions multiplied by the projected dollar increase in the commercial tax rate. This estimated increase is considered in the above figures when projecting the estimates of the changes in the commercial tax rates.

Based on the same assumptions, and assuming that commercial tax rates would increase by 32%, the following are examples of impacts on fictional businesses' property taxes.

1. Large Retail Store - occupied by owner

real property assessment: *(all assessment subject to business occupancy)*	$1,000,000
business occupancy assessment rate:	50%
tax rate prior to business occupancy tax elimination:	$3.80
total property taxes prior to business occupancy tax elimination:	$57,000
tax rate after business occupancy tax elimination:	$5.02
total property taxes after business occupancy elimination:	$50,200
change in total annual property taxes: - more / (less)	($6,800)
% change in total annual property taxes: - increase / (decrease)	(11.93)%

2. Hotel - occupied by owner

real property assessment: *(all assessment subject to business occupancy)*	$1,000,000
business occupancy assessment rate:	25%
tax rate prior to business occupancy tax elimination:	$3.80
total property taxes prior to business occupancy tax elimination:	$47,500
tax rate after business occupancy tax elimination:	$5.02
total property taxes after business occupancy elimination:	$50,200
change in total annual property taxes: - more / (less)	$2,700
% change in total annual property taxes: - increase / (decrease)	5.68%

3. Credit Union - occupied by owner

real property assessment: *(all assessment subject to business occupancy)*	$1,000,000
business occupancy assessment rate:	75%
tax rate prior to business occupancy tax elimination:	$3.80
total property taxes prior to business occupancy tax elimination:	$66,500
tax rate after business occupancy tax elimination:	$5.02
total property taxes after business occupancy elimination:	$50,200
change in total annual property taxes: - more / (less)	($16,300)
% change in total annual property taxes: - increase / (decrease)	(24.51)%

4. Unoccupied Commerciai Land

real property assessment: *(all assessment subject to business occupancy)*	$1,000,000
business occupancy assessment rate:	0%
tax rate prior to business occupancy tax elimination:	$3.80
total property taxes prior to business occupancy tax elimination:	$38,000
tax rate after business occupancy tax elimination:	$5.02
total property taxes after business occupancy elimination:	$50,200
change in total annual property taxes: - more / (less)	$12,200
% change in total annual property taxes: - increase / (decrease)	32.11%

Elimination of Business Occupancy Assessment and Taxation

The following summarizes the main advantages and disadvantages of eliminating business occupancy assessment and taxation. A number of the points are both advantages and disadvantages depending on how the change affects the reader.

Pros	Cons
✔ Collecting the money through the property tax would mean a more certain source of revenue as real property taxes form a lien on the property. ✔ The differentiation between different classes of business would disappear; tax burden shifts would result. ✔ Any increase in the real property tax rates may result in an increase in the amount that the federal government pays in grants in lieu of taxes. ✔ The elimination of business occupancy assessment would save the Assessment Services Division, municipalities and business considerable time and effort. ✔ The elimination of business occupancy assessment would help streamline the business regulatory regime, and work towards the government's commitment of less red tape. ✔ There may be fewer assessment appeals because there will be no appeals of business occupancy assessments. Appeals in respect to real property assessments may also drop because the assessment in the assessment notice will apply only to the real property and will be more readily comparable to market value. ✔ Nova Scotia's business tax regime would be comparable to most of the rest of the country when dealing with businesses and industry interested in locating here. ✔ Eliminating business occupancy tax will affect Provincial grants and municipal funding programs which are based upon uniform assessments. Percent losses due to decreases in the operating grant and increases in contributions to joint expenditure programs tend to be higher in rural units and lower in towns because business occupancy assessment is a relatively small percentage of the rural municipalities' tax bases. The Province would experience a net gain of	✘ Commercial and/or residential tax rates would likely be increased to recover the amount lost. How the tax burden is redistributed is up to the municipal units as the municipal units decide individually the ratio between their commercial and residential tax rates. ✘ The differentiation between different classes of business would disappear; tax burden shifts would result. ✘ The Harmonized Services Tax is charged on commercial rental payments and so increases in rents to recover the increases in commercial taxes would be subject to the HST. Those businesses who can claim the HST as an input tax credit could claim this HST payment. However, banks, dental clinics or any of the exempt services would not be able to recover these sums through the input tax credit system. ✘ A vacant building is not now assessed for business occupancy. The elimination of business occupancy assessment and any corresponding increase in the commercial tax rate would probably increase the taxes on such properties, notwithstanding that the vacancy may be reflected in the market value which impacts assessment. ✘ Eliminating business occupancy tax will affect Provincial grants and municipal funding programs which are based upon uniform assessments. Percent losses due to decreases in the operating grant and increases in contributions to joint expenditure programs tend to be higher in rural units and lower in towns because business occupancy assessment is a relatively small percentage of the rural municipalities' tax bases. The Province would experience a net gain of approximately $22,000 as a result of the changes, due to roundings of fractions.

approximately $22,000 as a result of the changes, due to roundings of fractions.	

Discussion Questions

The following discussion questions are provided to promote discussion. Respondents need not answer any or all of the following questions:

1. What is your view of whether or not business occupancy assessment and taxation should be eliminated?

   a. If it is your view that business occupancy assessment and taxation should be eliminated, should the elimination be phased? e.g. should 25% of the assessment be eliminated in year 1, a further 25% of the assessment eliminated in year 2, etc.

2. If business occupancy assessment is eliminated:

   a. should there be restrictions on the manner in which municipalities and villages recover the revenues lost from business occupancy taxation?

   b. should landlords be allowed to increase rents to recover any increases in real property taxes associated with the elimination of business occupancy taxation?

   c. how should businesses, currently paying business occupancy tax, located in non-taxable premises which do not pay grants in-lieu of taxes (e.g. a coffee shop in a university or hospital) be taxed?

Comments

Written comments concerning this topic should be forwarded:

by mail to:

Business Occupancy Assessment and Taxation Review
c/o Service Nova Scotia and Municipal Relations
P.O. Box 216
Halifax, Nova Scotia
B3J 2M4

by e-mail to:

busocc@gov.ns.ca

by facsimile to:

Business Occupancy Assessment and Taxation Review
(902)424-0821

Submissions should be received no later than Friday, 16 March 2001.

You should be aware that copies of submissions received will be made available to the public upon request, and may be used in future communications.

The results of this consultation exercise will be made available to the Steering Committee of the Municipal-Provincial Roles & Responsibilities Review who will recommend a course of action to the provincial government. For more information about the Municipal-Provincial Roles & Responsibilities Review please see their web-site at:

www.munisource.org/unsm/review/mrrtoc.htm.

Further Information

Further information about this consultation process is available:

by viewing our web-site at:

www.gov.ns.ca/snsmr/muns/busocc-tax/

by e-mailing:

busocc@gov.ns.ca

Business Occupancy Assessment and Taxation Elimination

Consultation Plan

Version 1.2
1 February 2001

Introduction

The Municipal-Provincial Roles & Responsibilities Review has directed that broad consultation be undertaken on the suggestion that business occupancy assessment and taxation be eliminated. This plan outlines how that consultation will occur.

Concept

The consultation will be based on the suggestion that business occupancy assessment and taxation should be eliminated; its principal focus is not to gather generic suggestions on ways to reform business occupancy assessment and taxation, but rather its principal focus is to gather comments on the idea of eliminating business occupancy assessment and taxation. This is not to say that government has pre-determined its course of action, but rather that a clear direction in principle is being offered for comment so as to focus the discussion.

Values Guiding Consultation

The following values will guide this consultation effort:

- **Openness:**
  - This consultation will be entirely open about the positive and negative impacts, as it knows them, of eliminating business occupancy assessment and taxation.
  - It will promptly provide any information asked of it in accordance with the Freedom of Information and Protection of Privacy Act.
  - It will notify persons providing submissions to the exercise that those submissions will be made available to the public upon request.

- **Inclusiveness:**
  - Anyone who wishes to make a submission to the exercise as outlined in the following pages will be welcome to do so. Certain organizations who are perceived to have an active interest in this issue will be prompted for a submission, but anyone is welcome to make a submission.
  - All submissions will be made available to the decision makers. Summaries of those submissions may be presented to the decision makers.

- **Method:**
  - This consultation will proceed as expeditiously as possible.
  - This consultation will take advantage of modern electronic communication methods.
  - This consultation will proceed in the most cost-effective manner possible.

Methodology

- The consultation exercise will be governed by the Project Team as outlined in the Project Charter for the exercise.

- The core of the consultation exercise will be the preparation and distribution of a discussion paper. This discussion paper will:
  - provide detailed background on business occupancy assessment and taxation
  - describe the perceived difficulties with business occupancy assessment and taxation
  - describe the challenges to be overcome in eliminating business occupancy assessment and taxation
  - describe the advantages and disadvantages in eliminating business occupancy taxation
  - pose several questions to help guide submissions on the possibility of eliminating business occupancy taxation.

- The discussion paper will be distributed by:
  - sending hard copies to each of the stakeholders identified below
  - posting a copy of the paper on a suitable web-site
  - providing copies of the paper to anyone requesting a copy

- The release of the discussion paper will not be:
  - the subject of paid advertisments.

- The release of the discussion paper will be:
  - communicated through various press releases and other communication events, as outlined in the Communication Plan for this exercise

- Submissions to this exercise will be:
  - to the greatest extent possible, made in writing; the exercise will not hold town hall meetings or the like; verbal submissions will be transcribed as accurately as possible and those transcriptions will be treated like all other written submissions
  - within six weeks from the date of release of the discussion paper; late submissions will only be accepted with the agreement of the project team

- made available to the Steering Committee of the Municipal-Provincial Roles & Responsibilities Review

- At the end of the written consultation period the Project Team will meet to determine whether or not further consultation is required.

- Enquiries about the consultation exercise should be:
  - directed to the Project Lead; enquiries initiated with other individuals should be directed to the Project Lead.

Stakeholders

The consultation effort will specifically seek out the views of the following organizations:

- the Association of Municipal Administrators of Nova Scotia
- the Association of Municipal Tax Collectors of Nova Scotia
- Bar Society of Nova Scotia
- the Building Owners and Managers Association Atlantic
- Canadian Bankers Association
- the Canadian Federation of Independent Business
- Canadian Institute of Public and Private Real Estate Companies
- all Chambers of Commerce in the province
- the Department of Economic Development
- the Department of Intergovernmental Affairs
- the Department of Tourism and Culture
- Federation of Canadian Municipalities
- the Government of Canada, Public Works Canada
- the Investment Property Owners Association of Nova Scotia
- sampling of large corporate entities in the province:
  - Michelin North America (Can) Limited
  - Stora Enso Port Hawkesbury Limited
  - J D Irving Limited
  - Oxford Frozen Foods Limited
  - Nova Scotia Power Incorporated
  - MTT
  - Sobeys Incorporated
  - IPCF Properties Incorporated
  - Bowater Mersey Paper Company Limited
  - Imperial Oil Limited
  - Canadian National Railways Limited
- all municipalities in the province
  - Councils

    - CAOs/Clerks
- the natural gas industry with on-shore assets in Nova Scotia
    - Canadian Association of Petroleum Producers
    - Maritimes & North-East Pipeline
    - Sempra Atlantic Gas Incorporated
    - Sable Offshore Energy Incorporated
    - Offshore Technology Association of Nova Scotia
- Nova Scotia Automobile Dealers Association
- the Petroleum Directorate
- property taxpayer associations in the province
- Real Estate Lawyers Association of Nova Scotia
- the Tourism Industry Association of Nova Scotia
- the Union of Nova Scotia Municipalities
- all incorporated villages in the province
    - Commissions
    - Clerks

Changes

Any changes to this consultation plan will be made by the Project Team.

MUNICIPAL - PROVINCIAL
ROLES & RESPONSIBILITIES REVIEW

Business Occupancy Tax

Version 1.3
15 July 1999

Issue	**"The legislation dealing with business occupancy taxation . . . should be reviewed to ensure an effective collection system and to maximize municipal revenues."** **- from 30 Nov. 98 Issue Identification Report**
Background	**The Business Occupancy Tax (BOT) is assessed in respect to all occupied commercial properties based on the assessed value of the space occupied but it is not a lien on property. In most cases, business occupancy assessment is equal to 50% of the assessed value of the commercial real property. Exceptions are businesses such as service stations, restaurants, campgrounds, trailer parks and motor vehicle dealers which are assessed at 25% of the assessed value, and banks, credit unions, loan companies, trust companies, insurance companies, investment dealers, mortgage brokers and collection agencies which are assessed for business occupancy at 75% of the assessed value.** **The BOT represents almost $60 million in annual revenue for municipalities.**

Recommendation	**The working group recommends that legislation be introduced to eliminate the Business Occupancy Assessment and Tax.** **The following are also recommended:** • **legislation be included allowing landlords to open leases.** • **the implications of the change to Uniform Assessment be considered when equalization grants are reviewed.** • **a committee be created to oversee consultation and the implementation of this recommendation. The committee should include: two members of the revenue subcommittee (one provincial, one municipal), a solicitor from the Department of Housing and Municipal Affairs, a representative from the Department of Economic Development and a representative from Halifax Regional Municipality.**
Analysis	**<u>Comparative Situation</u>:** **New Brunswick, Prince Edward Island and British Columbia do not have a Business Occupancy Tax. Quebec and Newfoundland do have a mandatory Business Occupancy Tax but many cities in Newfoundland are offering significant exemptions from it. Ontario eliminated its Business Occupancy Tax in 1997. Manitoba, Saskatchewan and Alberta all have a Business Occupancy tax but municipalities can choose not to levy it.** **The BOT puts Nova Scotia at a disadvantage from an economic development point-of-view. It represents an additional tax on businesses in Nova Scotia that is not levied in neighbouring provinces.**

Analysis (cont.)

Problems with the existing tax:

- The tax is difficult to collect because it does not represent a lien on property. The percentage of BOT that goes uncollected is as high as 25% in some municipalities.
- The tax is both costly and difficult to administer for the department and municipalities. This is partly due to the need to track openings and closings of businesses. It is expected that the elimination of the BOT will allow the assessment division of the Department of Housing and Municipal Affairs to assign individuals and other resources, which had previously been used to assess and administer the BOT, to other assignments within the division. The same is true of individual municipal units, although on a smaller scale.
- The federal government does not pay BOT on the properties it occupies but it does pay property taxes in the form of grants-in-lieu. Assuming the revenue from the BOT was recovered only from commercial property taxes this would mean an increase in grants-in-lieu of approximately $6.5 million for municipalities.

Possible implications of elimination:

- Lose ability to tax classes differently. Businesses in the 25% category will be most adversely affected by this.
- Seasonal properties within the 25% category, vacant properties and water utilities will lose exceptions. Property tax credits and/or a phase-in process could soften this effect.
- Landlords will see increases to their property taxes. Legislation should be included that will allow them to open up lease and rental agreements to recover the amount of the increase from their tenants.
- Uniform assessment calculations will change. Towns will likely be hit the hardest by this because revenues from the BOT make up a larger proportion of their total tax revenue.

Consultation Plan	• After approval of the Working Group, the recommendation will be presented to the Coordinating Committee. • Subsequent to approval by the Coordinating Committee, the recommendation will be forwarded to the Steering Committee for approval of the consultation process. • The recommendation will then be circulated to both internal (Departments of Economic Development & Tourism and Housing & Municipal Affairs, Utility and Review Board, UNSM, AMA, Mayors & Wardens, and Chief Administrative Officers, AMTC) and external (Mall managers, IPOANS, Chambers of Commerce, etc.) stakeholders for input. All consultation is to be handled by the consultation and implementation committee. • All input will be considered for inclusion in a new draft of the recommendation. • The new draft will go before the Working Group and the Coordinating Committee for approval. • Following approval by the Coordinating Committee, the recommendation will go to the Steering committee for final approval.
Contact	Contact: Linda Parker, Municipal Advisor 424-5378 parkerlm@gov.ns.ca

Approved by Working Group:	15 Jul 99
Approved by Coordinating Committee:	29 Sep 99
Approved by Steering Committee:	3 Nov 99